Exhibit A

Chart 1: Pharmaceutical Industry

Manufacturers

Manufacturers distribute their products primarily through drug wholesalers but also sell directly to pharmacies, hospitals and other bulk purchasers.

Manufacturers establish wholesale acquisition cost and average wholesale price.

List Price: Wholesale Acquisition Cost (WAC)

Actual Selling Price: Average Manufacturers
Price (AMP)

Wholesalers

Wholesalers act as the middlemen that distribute pharmaceuticals from manufacturers to pharmacies.



List Price: Average Wholesale Price (AWP)

Actual Selling Price: Actual Acquisition Cost (AAC)

Retail Pharmacies

Pharmacies dispense prescriptions to consumers and provide professional pharmacist services.



Reimbursement: Estimated Acquisition Cost (EAC) - (WAC plus a percentage or AWP minus a percentage) - plus dispensing fee

Manufacturer Rebates: 15.1% of AMP or AMP-Best Price

Medicaid Agencies

Cover the pharmaceutical costs for eligible low-income women, children and disabled.